

## Message Text

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NEA/RA-HMMONTGOMERY EB/OCA/BR - JLNESVIG

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FM SECSTATE WASHDC

TO AMEMBASSY ABU DHABI

USINT ALGIERS

AMEMBASSY AMMAN

USINT BAGHDAD

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMCONSUL CASABLANCA

AMEMBASSY DAMASCUS

AMCONSUL DHAHRAN

AMCONSUL JERUSALEM

AMEMBASSY JIDDA

AMCONSUL KHORRAMSHahr

AMEMBASSY KUWAIT

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMCONSUL ORAN

AMEMBASSY RABAT

AMEMBASSY SANAA

AMCONSUL TABRIZ

AMCONSUL TANGIER

AMEMBASSY TEHRAN

AMEMBASSY TEL AVIV

AMEMBASSY TRIPOLI

AMEMBASSY TUNIS

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CAIRO ALSO FOR ALEXANDRA, KUWAIT ALSO FOR DOHA

E.O. 11652: N/A

TAGS: BEXP, XF, XI

SUBJ: RECENT DEPARTMENT OF COMMERCE ACTIONS RELATED TO  
NORTH AFRICA AND NEAR EAST

1. SUMMARY. DEPARTMENT OF COMMERCE (USDOC) IS ADJUSTING ITS OPERATIONS TO GIVE A HIGHER PRIORITY TO GROWING IMPORTANCE OF MARKETS IN NORTH AFRICA AND MID EAST. THIS MESSAGE DESCRIBES FOR POSTS IN COUNTRIES AFFECTED THREE PRINCIPAL ELEMENTS OF NEW USDOC APPROACH TO AREA. THESE ELEMENTS ARE (A) REORGANIZATION OF FUNCTIONS AND RESPONSIBILITIES RELATING TO THE REGION WITHIN USDOC; (B) PROGRAM OF GREATLY INCREASED PUBLICITY AND INFORMATION WITHIN USA ABOUT MARKET OPPORTUNITIES IN NORTH AFRICA/NEAR EAST; (C) GREATER EMPHASIS ON SCHEDULING PROMOTIONAL EVENTS (TRADE MISSIONS, PRODUCT EXHIBITIONS, CATALOG SHOWS, ETC.) IN THE AREA. USDOC RESPONSE TO MARKET CHALLENGE FLOWS IN PART FROM NUMEROUS, THOUGHTFUL SUGGESTIONS OF FOREIGN SERVICE POSTS IN AREA. END SUMMARY.

2. USDOC REORGANIZATION. IN MAJOR ADDRESS TO AMERICAN-ARAB ASSOCIATION FOR COMMERCE AND INDUSTRY, COMMERCE SECRETARY FREDERICK B. DENT ANNOUNCED ON JULY 16 FORMATION WITHIN USDOC OF "A SPECIAL ORGANIZATION -- THE COMMERCE ACTION GROUP FOR THE NEAR EAST--TO SERVE AS THE SINGLE FOCAL POINT FOR THE TOTAL DEPARTMENT OF COMMERCE RESPONSE TO THE DRAMATICALLY CHANGED ECONOMIC SITUATION AND SIGNIFICANT NEW BUSINESS OPPORTUNITIES IN THE NEAR EAST.

5#8 :9..34:3 :-589, &4970 28)) 07)) 59&35#34 -)) 5#3  
43)3;-5 43 974:3S OF THE DEPARTMENT..." THIS NEW ORGANIZATION, WHOSE ACRONYM IS CAGNE, HAS ASSUMED RESPONSIBILITY FOR USDOC PROGRAMS IN 19 COUNTRIES IN NORTH AMERICA AND THE NEAR EAST. UNDER ACTING DIRECTOR PETER HALE, A BUSINESS SERVICES SECTION CONSISTING OF A DEPUTY DIRECTOR, THREE COUNTRY MARKETING MANAGERS AND STAFF AND A BUSINESS FACILITATION UNIT DEVELOPS INFORMATIONAL AND PROMOTIONAL PROGRAMS FOR THE FOLLOWING GROUPS OF COUNTRIES:  
N. AFRICA (FOUR COUNTRIES MOROCCO TO LIBYA; IRAN-ISRAEL-UNCLASSIFIED

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EGYPT; AND OTHER ARAB STATES (TWELVE COUNTRIES). IN ADDITION TO THE BUSINESS SERVICE SECTION, CAGNE CONTAINS A COORDINATING OR LIAISON SECTION WHOSE ACTIVITIES CONCENTRATE ON THOSE COUNTRIES WITH WHICH THE U.S. IS ESTABLISHING SPECIAL RELATIONSHIPS. THIS SECTION ALSO COORDINATES THE WORK OF CAGNE WITH OTHER OFFICES WITHIN THE DEPARTMENT AND WITH OTHER CONCERNED WASHINGTON AGENCIES. CAGNE REPORTS DIRECTLY TO DR. CHARLES HOSTLER, DEPUTY ASSISTANT SECRETARY

FOR INTERNATIONAL COMMERCE.

3. INFORMATION PROGRAM: SECRETARY DENT'S JULY 16 SPEECH IN NEW YORK ILLUSTRATES THE GREATLY INCREASED PRIORITY USDOC IS GIVING TO SYSTEMATIC PROGRAM OF INFORMATION DISSEMINATION ON NORTHAFRICA/NEAR EAST MARKETS. IN HIS ADDRESS SECRETARY DENT ALSO HIGHLIGHTED THIS INFORMATION CAMPAIGN. PUBLICATION WAS MADE THAT DAY OF THE BOOKLET "THE NEAR EAST MARKET: A REPORT TO U.S. BUSINESS"--PREPARED BY USDOC'S NEAR EAST TASK FORCE, WHOSE MEMBERS VISITED NUMBER OF ADDRESSEE POSTS IN APRIL 1974. THIS 47 PAGE BOOKLET FOCUSES ON MARKET OPPORTUNITIES IN ELEVEN EASTERN ARAB COUNTRIES AND IRAN. SECRETARY DENT ALSO ANNOUNCED THAT USDOC WOULD HOLD SERIES OF SEMINARS ON DOING BUSINESS IN NEAR EAST THIS AUTUMN IN KEY CITIES AROUND THE COUNTRY. USDOC'S BIWEEKLY MAGAZINE "COMMERCE TODAY" FEATURED SPECIAL NEAR EAST ISSUE ON JUNE 24, 1974 AND WILL CONTINUE TO GIVE INCREASED ATTENTION TO FOREIGN SERVICE AND USDOC ARTICLES ON NEAR EAST MARKETS. FINALLY, CAGNE IS PREPARING OVERSEAS BUSINESS REPORTS IN THE NEW "MARKETING IN..." FORMAT ON MAJOR COUNTRIES IN THE AREA-- BEGINNING WITH IRAN, KUWAIT, EGYPT, SAUDI ARABIA, ALGERIA, MOROCCO AND IRAQ. AMERICAN BUSINESS RESPONSE TO THE INCREASED FLOW OF INFORMATION HAS BEEN IMMEDIATE AND IS FELT IN GREATLY INCREASED VOLUME OF TELEPHONE, MAIL, AND PERSONAL INQUIRIES.

4. PROMOTIONAL PROGRAM: CAGNE IS REVIEWING FY 75 AND 76 SCHEDULE FOR PROMOTIONAL EVENTS AND WILL DISCUSS ANY PROPOSED REVISIONS WITH AFFECTED POSTS AS SOON AS POSSIBLE. IN GENERAL, CAGNE FOLLOWING TWO PRINCIPLES ABOUT PROGRAMMING EVENTS FOR AREA. (A) GREATEST SINGLE NEED IS FOR PROGRAM OF MARKET RESEARCH--WITHOUT WHICH NO UNCLASSIFIED

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PROGRAM OF EVENTS CAN BE PROPERLY CONSTRUCTED. (B) SECOND PRINCIPLE IS RECOGNITION THAT CAGNE COUNTRIES FALL INTO TWO BROAD CATEGORIES WHICH REQUIRE SOMEWHAT DIFFERENT MARKETING STRATEGIES. ONE GROUP OF COUNTRIES MIGHT BE DESCRIBED AS SEMI-INDUSTRIALIZED, E.G. ALGERIA, EGYPT, IRAN, IRAQ, ISRAEL, KUWAIT, LEBANON, MOROCCO, AND SYRIA. A SECOND GROUP IS, WITH THE EXCEPTION OF OIL PRODUCTION, PRE-INDUSTRIAL; E.G. SAUDI ARABIA, UNITED ARAB EMIRATES, QATAR, OMAN, AND OTHERS. WHILE MANY OF USDOC'S TRADITIONAL TYPES OF TRADE PROMOTION EVENTS ARE BEING SUCCESSFULLY UTILIZED IN THE NEAR EAST MARKETS, ESPECIALLY IN THE SEMI-INDUSTRIALIZED COUNTRIES, WE RECOGNIZE THAT SOME ADJUSTMENTS IN THE NATURE OF THESE EVENTS MAY BE NECESSARY. FOR THIS REASON, USDOC WILL BE AS FLEXIBLE AS POSSIBLE, WITHIN PROGRAM CONSTRAINTS, IN THE SCHEDULING AND PLANNING

OF EVENTS FOR THE AREA AND STRONGLY URGES POSTS TO SHARE  
WITH US IN THE CLEAREST AND MOST EXACT MANNER POSSIBLE  
THEIR VIEWS ON THE NATURE OF EVENTS WE SHOULD BE  
PROGRAMMING.

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